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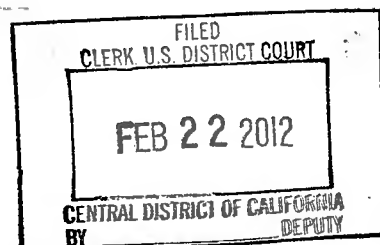
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Attorneys for Plaintiffs



UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

11 MARTIN SHEEN, EDWARD ASNER,

12 ED HARRIS, VALERIE HARPER,

13 CLANCY BROWN, JAMES REMAR,

14 GEORGE COE, DIANE LADD,

15 LAINIE KAZAN, NICHELLE

NICHOLS, RENEE AUBRY, JANE

16 AUSTIN, ERICK AVARI, STEVE

BARR, SARA BARRETT,

17 TERRANCE BEASOR, MICHAEL

18 BELL, WARREN BERLINGER, JOE

BOLOGNA, RALPH BRENNEN,

19 ALEXANDRA CASTRO, JUDE

20 CICCOLELLA, CYNTHIA LEA

CLARK, DAVID CLENNON, JOE

21 D'ANGERIO, PATRICIA

22 D'ARBANVILLE, DICK GAUTIER,

23 DOROTHY GOULAH, MARTY

GREY, SUMI HARU, ANGEL

24 HARPER, BASIL HOFFMAN, DAVID

25 HUDDLESTON, ANNE-MARIE

JOHNSON, DAVID JOLLIFFE,

26 KERRIE KEANE, PETER KWONG,

27 KURT LOTT, BARBARA LUNA,

28 ERIC LUTES, STEPHEN MACHT,

CV 12-01468 SJO (AWX)

**COMPLAINT FOR EQUITABLE
RELIEF FOR:**

- 1) **VIOLATION OF THE
LABOR MANAGEMENT
REPORTING AND
DISCLOSURE ACT, 29
U.S.C. § 411;**
- 2) **VIOLATION OF THE
LABOR MANAGEMENT
REPORTING AND
DISCLOSURE ACT, 29
U.S.C. § 481**
- 3) **VIOLATION OF THE
LABOR-MANAGEMENT
RELATIONS ACT, 29 U.S.C
§ 185**
- 4) **BREACH OF CALIFORNIA
COMMON LAW
FIDUCIARY DUTIES;**

1 MICHAEL MCCONNOHIE, PETER
2 ANTICO, SUSAN MCNABB,
3 PHYLLIS TIMBES, MARGUERITE
4 MOREAU, TRACI MURRAY,
5 NICOLE MANDICH, LARRY
6 NEWMAN, BARBARA NIVEN,
7 KATHLEEN NOLAN, JACK ONG,
8 PEGGY LANE O'ROURKE, LESLIE
9 PARRISH, SCOTT PIERCE, ROBIN
10 RIKER, STEPHANIE ROSE, ALAN
11 ROSENBERG, ALAN RUCK,
12 WENDY SCHAAL, TASCHA
13 SCHAAL, NANCY SINATRA,
14 CYNTHIA STEELE, RENEE
15 TAYLOR, MALACHI THRONE,
16 BEVERLY TODD, JESSICA
17 WRIGHT, MOMO YASHIMO

13 Plaintiffs,

14 vs.

15 SCREEN ACTORS GUILD, a Labor
16 Union; DAVID WHITE, an individual;
17 KEN HOWARD, an Individual; AMY
18 AQUINO, an Individual; NED
19 VAUGHN, an Individual; MIKE
20 HODGE, an Individual; DAVID
21 HARTLEY-MARGOLIN, an
22 Individual; and DOES 1-10,

23 Defendants.

24 Plaintiffs individually and on behalf of the membership of the certified union
25 of acting professionals known as the Screen Actors Guild ("SAG") bring this action
26 against Defendants the SCREEN ACTORS GUILD ("SAG"), KEN HOWARD,
27 AMY AQUINO, NED VAUGHN, MIKE HODGE, DAVID HARTLEY-
28 MARGOLIN, (collectively, "Individual Defendants") and DOES 1-10, inclusive,
(all inclusively, "Defendants") as follows:

I. NATURE OF THE ACTION

1
2
3 1. This case is about a race to merge two unions, without conducting the
4 necessary due diligence. Defendants are, metaphorically speaking, urging SAG
5 members to take a blindfolded high dive *without knowing whether there is any*
6 *water in the pool.*

7 2. Defendant SAG is a labor organization within the meaning of 29
8 U.S.C. § 402 with its principal office in Los Angeles, California. All of the
9 Individual Defendants, except David White, are the members of the SAG National
10 Board. Defendant White is the National Executive Director. Over 120,000 acting
11 professionals across the globe are members of SAG.

12 3. As explained herein, the Defendants are engaged in pre-election
13 activities that threaten to imminently and irrevocably harm Plaintiffs and the
14 membership of SAG. These actions are being taken in direct violation of SAG
15 Board resolutions, the LMRDA election protections, the SAG Constitution and
16 Bylaws ("Constitution"), Defendants' fiduciary duties and the applicable law.

17
18 4. The American Federation of Television and Radio Artists ("AFTRA").
19 is an entirely separate union from SAG and is comprised of 70,000 performers and
20 broadcasters, many of whom do not meet the requirements to be SAG members.
21 AFTRA members include broadcasters, journalists, radio, television, voice-over,
22 support staff and other diverse professions.

23 5. Defendants seek to use their fiduciary authority and credibility as SAG
24 Board members and officers, without the candor and due diligence required of them,
25 to deceptively effect a merger between SAG and AFTRA. This merger is in reality
26 part and parcel of a National Board Election, regulated under 29 U.S.C. § 481. The
27 proposal requires member votes to seat an entirely new slate of Board members and
28

1 officers, even though it is being perpetrated under the guise of a merger pursuant to
2 Article XVII, Section 3 of the SAG Constitution.

3
4 **II. PARTIES**

5 6. Plaintiffs identities and their State of residence are attached hereto as
6 Exhibit A.

7
8 7. Defendant KEN HOWARD is the current SAG president, and is
9 believed to be a resident of the County of Los Angeles, State of California.

10 8. Defendant AMY AQUINO is the current SAG secretary-treasurer, and
11 is believed to be a resident of the County of Los Angeles, State of California.

12 9. Defendant NED VAUGHN is the current SAG 1st vice president, and
13 is believed to be a resident of the County of Los Angeles, State of California.

14
15 10. Defendant MIKE HODGE is the current SAG 2nd vice president, and
16 is believed to be a resident of the State of New York.

17 11. Defendant DAVID HARTLEY-MARGOLIN is the current SAG 3rd
18 vice president, and is believed to be a resident of the State of Colorado.

19
20 12. Defendant SAG is a labor organization within the meaning of 29
21 U.S.C. § 402 with its principal office in Los Angeles, California. The issues raised
22 by this complaint fall within the jurisdiction of this Court.

23 13. Plaintiffs are ignorant of the true names and capacities, whether
24 individual, corporate, associate, or otherwise, of the defendants named herein as
25 DOES 1 through 10, inclusive, or any of them and therefore sues said defendants,
26 and each of them, by such fictitious names. Plaintiffs are informed and believe and
27 thereon allege that each of the fictitiously named defendants is responsible in some
28

1 form or manner for the acts, events, occurrences or failures to act herein alleged and
2 are liable to Plaintiffs in connection therewith. Plaintiffs will amend this complaint
3 to set forth the true names and capacities of the defendants herein designated as
4 DOES when they have been ascertained.

5
6 14. Plaintiffs are informed and believe and thereon allege that each
7 defendant was and is, an agent, servant, employee, partner and/or joint venturer of
8 each of the remaining Defendants and in doing the things herein alleged, each was
9 acting within the course and scope of such agency, employment, partnership, and/or
10 joint venture and with the knowledge, authority, permission and consent of the other
11 respondents. Defendant and DOES 1 through 10, inclusive, are hereinafter
12 collectively referred to as "Defendants" except when otherwise specified by name.

13 III. JURISDICTION AND VENUE

14
15 15. This Court has subject matter jurisdiction over this action pursuant to
16 28 U.S.C. §§ 1331, 1367(a), 29 U.S.C. §§ 185(c), and 412 as it arises under 29
17 U.S.C. §§ 411 and 501 and state law claims that form part of the same case and
18 controversy.

19 16. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b) and (c),
20 29 U.S.C. §§ 185(a) and 412 because the Defendants are residents of the State of
21 California, Colorado and New York and subject to personal jurisdiction within the
22 State of California. Moreover, a substantial part of the events, omissions and
23 alleged violations giving rise to Plaintiffs' claims occurred in this District, where the
24 principal office of the Defendant Labor Organization is located.

25 IV. FACTUAL ALLEGATIONS

26
27 17. Plaintiffs represent the true and longstanding interests of the Screen
28 Actors Guild, and seek to preserve the existence of this organization. The Guild has

1 proudly represented its illustrious members since 1933. Plaintiffs are not opposed
2 to mergers in concept. However, they are opposed to the instant merger for a
3 variety of reasons as set forth herein.

4
5 18. Among the many concerns raised, it is a fact that without careful
6 consideration of several critical elements, a merger such as the one being pressed
7 upon the members could result in potentially life-altering impacts to the existing
8 pension and health plans. Such impacts would be harmful to each and every SAG
9 plan member.

10 19. This merger is being presented in a deceptive manner, without due
11 diligence, as if it is in the best interest of each and every member. Defendants know
12 the truth and are refusing, even upon request, to provide neutral, balance factual
13 disclosures, required of them as fiduciaries of SAG. They are well aware that
14 numerous SAG members rely heavily upon their representations as fiduciary Board
15 members and Officers. Defendants have ignored their obligations as fiduciaries,
16 promoting a merger while obfuscating the truth.

17
18 20. Along with the proposed merger of the unions, an entire slate of new
19 joint union Board members and officers will be seated. No opposing candidates are
20 even permitted to run or campaign. Merger of the unions will clear the pathway to
21 merger of the significantly different pension and health plans, without further
22 member input, in the face of significant misrepresentations as set forth below.

23 21. Without substantiation, the proposed merger is being "sold" by
24 Defendants as being in the best interests of the members. The Defendants are well
25 aware that no one has recently conducted an actuarial study of the likely impact of
26 such actions. The SAG Constitution and Board resolutions in 2003 and 2012
27 expressly recognize the need for studies to ascertain "what, if any merger plan can
28 be achieved which will satisfy the requirements of law and the protection of all

1 eligible members against loss of benefits presently or in the future." (Appendix I to
2 the SAG Constitution and Bylaws)

3
4 22. By the time negative consequences are realized, they will be
5 irreversible. The harmful impact of such actions, will produce numerous,
6 substantial and justified liability claims. These claims would unnecessarily expose
7 the union and its funds to liability. This is particularly true since Board Resolutions
8 reaffirmed the SAG Constitutional recognition that careful study is necessary to
9 "satisfy the requirements of law and the protection of all eligible members against
10 loss of benefits, presently or in the future."

11 23. The 1981 SAG Board added Appendix I to the SAG Constitution in
12 recognition of the fact that any proposed SAG/AFTRA merger could have
13 significant adverse impacts for SAG members. In the thirty years that followed, the
14 issue of merger has arisen multiple times. As discussed further below, in 2003 a
15 study known as the Mercer report confirmed the worst fears of SAG members. It
16 caused the SAG Board, once again, to recognize that merging with AFTRA could
17 result in a diminution in benefits and increased administrative costs.

18
19 24. Following the SAG member rejection of the 2003 merger proposal, the
20 Board formally recognized and reaffirmed the critical need for such due diligence
21 prior to any future merger vote. The Board resolved to "take all reasonable steps to
22 explore" whether a merger would enhance the security of pension benefits; be cost
23 efficient, practical and maximize health benefits; and explore the basis upon which
24 the SAG and AFTRA plans could be consolidated.

25 25. Despite this history, the Defendants have chosen a path of deception
26 rather than disclosure. Taking no steps to educate itself or the SAG members
27 dependent upon them, the Defendants chose a different plan. They employed a
28 series of seven law firms, all apparently beholden to SAG, anxious to work with

1 Defendants to "spin" this issue.

2
3 26. These lawyers disseminated a series of letters opining about the legality
4 of mergers in general and how they *can be* beneficial. But, no one studied the actual
5 pension or health plan data. No one worked with actuaries to assess the
6 consequences associated with the current proposed merger. In short, no one
7 assessed the real world numbers associated with the proposed merger plan. Thus,
8 Defendants breached their fiduciary duties.

9 27. But, these shortcuts are consistent with the actions of certain
10 defendants, whose campaign rhetoric and posturing was so aggressive that it
11 prompted a (still ongoing) Department of Labor investigation into election
12 violations. Nonetheless, the current Board has proceeded, undaunted, relentlessly
13 pressing toward a merger.

14 28. Numerous critically important questions exist. The members
15 desperately need to understand how the proposed merger would impact them, as
16 addressed below. But, they are not receiving full or fair disclosures about these
17 issues.

18
19 29. The range of issues include the mandatory elections of new Officers
20 and Board members, without specification of issues or opposing candidates. A vote
21 for merger means a vote for an entire list of new Board member terms and Officers.
22 A vote against merger rejects all of them.

23 30. All public announcements, press releases and formal statements of
24 Defendants represent that the merger is in the best interests of all SAG members.
25 They have consistently urged the members to vote for merger, as if all important
26 considerations have been addressed and resolved. In fact, such misrepresentations
27 and omissions are calculated and knowingly false. Only by parsing words and
28

1 glossing over critical issues has the Board been successful in promoting merger
2 thus far.

3
4 31. Prior to initiation of this action, substantial efforts were made in behalf
5 of Plaintiffs to understand whether a legitimate basis existed to support or oppose
6 the prospective merger. On January 4, 2012, Plaintiffs wrote to Defendants and
7 outlined their concerns, seeking to exhaust their administrative remedies and
8 potentially avoid litigation. Plaintiffs also requested access to the statistical
9 information necessary for qualified professionals to conduct an actuarial impact
10 study.

11 32. Plaintiffs volunteered to conduct their own due diligence to definitively
12 confirm whether or not members would suffer a "loss of benefits" in 2012, as
13 predicted by the 2003 Mercer Report. This request was rejected.

14 33. As recently as National Board meetings on January 22, 2012, January
15 27, 2012 and January 28, 2012, the current Board was asked to provide at least as
16 much due diligence as was provided by the Mercer report. In response, to the
17 request for a P&H impact study during the October 23, 2011 meeting, Defendant
18 HOWARD acknowledged the reasonableness of the request. But, the Board has
19 refused to conduct such a study claiming "it is illegal to do so until after the Merger
20 has already taken place." However, no legal authority for such a claim exists. Thus,
21 none was provided.

22
23 34. This claim eventually morphed into the assertion that such a study
24 would be "too expensive." This prompted Plaintiffs to offer to conduct the study
25 themselves, with the cooperation of the Board. That offer was rejected by silence.

26 35. All indications are that the current drumbeat toward merger is simply
27 part of an effort to confuse and convince uninformed members to vote yes,
28

1 portraying the proposed merger as a fait accompli, with the best interests of the
2 members at heart. In reality, these announcements misrepresent the facts and
3 circumstances, concealing critical information. As but one example, there has been
4 no disclosure of the fact that the Constitutional and Board level concerns about
5 specifically defined studies have been ignored.

6
7 36. Plaintiff Board member efforts at National SAG Board meetings to
8 inquire about whether this recognized minimum level due diligence had been
9 conducted were silenced and ignored. Fully aware that nothing they have done
10 addresses the critical issues, Defendants have pretended that the letters they solicited
11 from lawyers constitute a study of the probable financial impacts of a merger. They
12 know better.

13 37. Plaintiffs counsel wrote to each of these lawyers asking if they intended
14 members to rely on their letters as an inducement to vote with the belief their
15 benefits were safe. None responded directly to this inquiry. Five did not respond at
16 all. No further studies were conducted.

17 38. In the absence of due diligence analyzing the true impact of the
18 proposed merger, propaganda is being promulgated in its place, including the
19 unsupportable claims that "merging the unions and the Plans would only benefit
20 Plan participants" (emphasis in original) and "merger is the best way to protect our
21 benefits."
22

23 39. With disparate and potentially conflicting interests within the proposed
24 new, merged union, substantial questions also exist concerning whether or not the
25 merger would, in fact, enhance negotiating strength or effectively eliminate the
26 possibility of strikes as advertized by Defendants. Merger of the two entities could
27 effectively emasculate SAG, by imposing AFTRA negotiating positions, effectively
28 weakening negotiating efforts for the actors.

1 40. There has been no identified plan or study regarding how actors will be
2 empowered to negotiate after their interests have been merged with broadcasters,
3 journalists and other members with potentially divergent interests. Public
4 representations and suggestions implying that the merger will add negotiating
5 strength are both premature and designed to mislead voting SAG members.

6 41. Similarly, actors who are members of both SAG and AFTRA are
7 currently in an untenable situation with respect to the existing, available pension
8 plans. Dollars earned under AFTRA contracts must exceed \$15,000 per year to
9 qualify for AFTRA pension credit. \$20,000 must be earned to qualify for pension
10 credit under SAG contracts. Thus, an actor paid \$34,999 in one year, split between
11 AFTRA and SAG contracts, has done more than enough work to qualify under
12 either plan, but currently may not qualify for any pension credit whatsoever.

13 42. Members are being led to believe that the new, merged union would
14 solve this "split contribution" dilemma. All indications are that no study or plan has
15 been formulated to address, much less resolve this critical issue. As such
16 Defendants have failed to discharge their fiduciary obligations to the members,
17 while claiming that merger will solve this real and pressing issue. The truth is that
18 Defendants have not determined how to solve the "split contribution" issue and
19 disclosure of that fact would dramatically impact the SAG member vote. No such
20 disclosures are being made.

21 43. Accurate and complete disclosures are necessary to permit the members
22 to intelligently exercise their right to vote during this election, as expressly
23 recognized by the Board resolutions, the SAG Constitution, and the applicable law.
24 Efforts to force these decisions, without critically necessary information are in
25 breach of the fiduciary duties owed by the Board members.

26 44. With this background, the Board voted on January 28, 2012 to approve
27
28

1 the Merger plan and submit it for a vote of the membership. Immediately thereafter,
2 on January 29, 2012 the Presidents of SAG and AFTRA publicly announced on
3 national television at the SAG awards that the "historic step" of merger was about to
4 be realized.

5
6 45. By doing so, Defendants attempted to thoroughly saturate the media,
7 espousing the propaganda of the pro-merger factions in the Board, without
8 providing any balancing information which would allow a member to intelligently
9 evaluate the issues and vote. Members have been inundated with pro-merger
10 information daily, while Plaintiffs have been deprived of similar access.

11 46. However, despite oral and written requests by Plaintiffs, the public
12 announcements and representations by Defendants regarding merger merely grew
13 louder and more frequent, culminating in their plan to send out merger election
14 ballots on February 27, 2012 for submission by March 30, 2012.

15
16 47. The central issue in this case entails Defendants' duty to inform the
17 Board members and ultimately the SAG members about the impact of the proposed
18 merger prior to calling a vote. Unfortunately, Defendants have chosen to proceed
19 with sophistry and sleight of hand to circumvent their due diligence obligations,
20 rather than satisfy them. Defendants moved forward in a surreptitious fashion
21 misrepresenting the risks of the proposed merger while blocking collection and
22 dissemination of information crucial to an informed and legitimate election.

23 48. Merger under these circumstances would cause SAG to immediately
24 and irrevocably cease to exist in its current form. An uninformed election of this
25 magnitude, contrary to the legislative promises of the SAG Board and the SAG
26 Constitution, would irrevocably harm the SAG membership.

27 49. Plaintiffs seek to enjoin Defendants from taking any action that would
28

1 deny the membership of SAG their rights to a full and fair, democratic election. It
2 is their right, as promised by Board resolutions, the SAG Constitution, and the
3 applicable law.

4
5 50. It would be unconscionable, unlawful and violative of the trust of the
6 SAG members to plow ahead, impacting the existing pension and health plans,
7 without clear and reliable information regarding the probable effects such actions
8 would have on the SAG members. Promises of post-merger studies are the
9 equivalent of "trust me" promises which cannot be enforced.

10 51. While the substance of the merger plan does not pass reasonable
11 scrutiny, the method pursued by Defendants to induce members to approve their
12 merger plan is clearly against the law. Defendants are attempting to seat themselves
13 and an entirely new board of directors and officers by an omnibus and
14 undifferentiated vote.

15 52. Unless enjoined, this "merger referendum" will establish an entirely
16 new slate of Board members and Officers with new authority over the current SAG
17 membership. Per the proposed agreement between SAG and AFTRA, the following
18 shall occur upon the conclusion of the merger election:
19

20 The Initial SAG-AFTRA National Board (the "Initial National Board")
21 shall be established consisting of persons who, on the day prior to the
22 Effective Date, were members of the National Board of AFTRA or the
23 National Board of SAG, or both, and any AFTRA national officer who
24 is not an Initial National Officer or member of the Initial Executive
25 Committee. Former alternates to the former SAG or AFTRA National
26 Board shall be alternates to the SAG-AFTRA Initial National Board.
27 The Initial National Board members **shall hold office until the**
28 **commencement of the terms of office of their elected successor..."**

"Merger Agreement," Section IV. (A)(1)

The Initial National Officers of SAG-AFTRA shall consist of co-

1 Presidents (the current AFTRA and SAG Presidents), co-Secretary-
2 Treasurers (the current SAG Secretary-Treasurer), an Executive Vice
3 President (the current SAG First National Vice President), a Vice
4 President from the largest Local (the current AFTRA Second National
5 Vice President, a Vice President from the second largest Local (the
6 current SAG Second National Vice President), a Vice President from
7 the Mid-size Locals (a current AFTRA Vice President could be and a
8 Vice President from the Small Locals (the current SAG Third National
9 Vice President), as those terms are defined in the SAG-AFTRA
10 Constitution, an Actor/Performer Vice President (the current SAG
11 Hollywood Division First Vice Chair), a Broadcaster Vice President (a
12 current AFTRA Vice President) and a Recording Artist Vice President
13 (a current AFTRA Vice President). The AFTRA co-President shall
14 appoint the Broadcaster, Recording Artist and Mid-size Local Vice
15 Presidents from among the current AFTRA National Officers...**They
16 shall hold office until the commencement of the terms of office of
17 the SAG-AFTRA National Officers elected** pursuant to this
18 Agreement and the SAG-AFTRA Constitution..."

19 "Merger Agreement," Section IV. (B)(1)

20
21 53. Thus, what Defendants call a "merger referendum" is, in reality, an
22 election of new leadership without opposition candidates. As the provisions above
23 show, merger entails the appointment of new Board members, new Officers and the
24 ascension of incumbent Board members and Officers to entirely new leadership
25 positions.

26
27 54. The current terms of the SAG board members and officers are
28 staggered and they are poised for re-election at various times under the SAG
Constitution and the term limits of the LMRDA. The newly elected Board and
Officers would all take office simultaneously, thereby undemocratically extending
and detracting from the elected terms of the incumbent leadership of SAG.

55. As a result, the will of the SAG membership as expressed in previous
valid Board and Officer elections will stand or fall in one "yes or no" vote for

1 merger. Instead of a series of fair and democratic campaigns and vote calling for
2 each Board and Officer seat, this merger election will effect a sudden coup d'etat of
3 the entire leadership of SAG.

4
5 56. The Board member Plaintiffs requested the right to access membership
6 emails to distribute literature pursuant to 29 U.S.C. § 481(c). In doing so, these
7 Plaintiffs have asked to do nothing more than what Defendants have been and are
8 continuing to doing leading up to the merger/election vote. Defendants have refused
9 these requests.

10 57. Faced with the replacement of their union with a new union under new
11 leadership, Plaintiffs request that the Court protect their rights as SAG members as
12 against improper procedural tactics and enforce the spirit of the LMRDA, at 29
13 U.S.C. § 401 which is:

14 “to protect employees' rights to organize, choose their own
15 representatives...” because “it is essential that labor organizations,
16 employers, and their officials adhere to the highest standards of
17 responsibility and ethical conduct in administering the affairs of their
18 organizations, particularly as they affect labor-management relations.”

19 58. Congress did not intend to allow a slate of labor candidates to make an
20 end run around union democracy and become more entrenched in their positions of
21 power by cloaking an election under guise of a merger.

22 **FIRST CAUSE OF ACTION**

23 **For Violation of Labor Management Reporting and Disclosure Act**

24
25 **(29 U.S.C. § 411)**

26 **(Asserted by Plaintiffs against all Defendants)**

27
28 59. Plaintiffs incorporate the allegations of paragraphs 1 through 58 herein

1 as though fully set forth at length.

2
3 60. Defendants have denied plaintiffs their freedom of speech and
4 assembly as well as equal rights and privileges to vote in an election to merge SAG
5 with another union, subject to the reasonable rules and regulations of the SAG
6 Constitution and Board resolutions.

7 61. To abide by its duty to provide equal rights and freedom of speech and
8 assembly to the entire SAG membership, Defendants cannot deny members their
9 right to cast a meaningful vote. *See Blanchard v. Johnson*, 388 F. Supp. 208, 213-
10 214(1974) ("[I]t is clear that any right to vote which is guaranteed by § 411 must be
11 the right to a meaningful vote.") *aff'd in relevant part by*, 532 F.2d 1074 (6th Cir.
12 1976) Members have a "right to know and vote on all affiliation proposals, to know
13 all the terms thereof, as well as the governing law of any organization with which
14 they were to affiliate, and to know the views of other members on the proposals."
15 *Id.*

16 62. Defendants have violated the rights of all SAG members to a
17 meaningful vote by refusing to conduct an actuarial study prior to the merger vote.
18 Members need that information to understand the ramifications of a positive vote on
19 their existing benefits. Unless immediately enjoined, Defendants' violation will
20 deny the membership a full, informed, fair and equal opportunity to vote on merger.
21

22 63. Irreparable harm will be suffered by the members because after the
23 proposed merger SAG cannot be restored to its current status. The harm will
24 include diminution in value of member benefits, union funds, pension benefits,
25 health benefits and membership rights, exposure to massive, foreseeable liability
26 and inherent conflicts of interest within the merged union.

27 64. To prevent the aforementioned wrongs, Plaintiffs respectfully request
28

1 that the Court grant the relief set forth below.

2
3 **SECOND CAUSE OF ACTION**

4 **For Violation of Labor Management Reporting and Disclosure Act**

5 **(29 U.S.C. § 481(c))**

6
7 **(Asserted by the Plaintiff Board Members against**

8 **the Defendant Labor Organization)**

9
10 65. Plaintiffs incorporate by reference, as though fully set forth herein, all
11 the allegations from paragraphs 1 through 64 above.

12 66. The proposed merger referendum is an election subject to rules and
13 member protections enacted under the LMRDA, 29 U.S.C. § 481(c). Unless
14 enjoined, this merger election will effectuate the extension of incumbent SAG Board
15 Member and Officer terms, the reduction of the terms of others, the election of an
16 entirely new slate of Board Members and Officers, and all of these elections are tied
17 to one vote for or against merger.

18
19 67. The Plaintiff Board Members are bone fide candidates for election in
20 SAG and in the union that may result from merger of SAG and AFTRA.

21 68. Defendant has denied Plaintiffs full and fair disclosure, preventing
22 them from full, fair and equal access to distribution of campaign literature to SAG
23 members, most specifically by use of e-mail. Cognizant of the existing
24 Constitutional Election Oversight Requirements, Defendants rushed this election.
25 They are well aware that notice of a violation must be submitted to the SAG
26 Elections Committee within 14 days following an election.

27
28 69. But, in this instance, an election will functionally transmute the existing

1 union, rendering pursuit of a remedy under this provision futile. Even if submitted
2 immediately after the merger/election was announced, the Committee would have
3 45 days to respond. The election would already be underway before any response
4 would be required and completed long before any remedy could be meaningfully
5 pursued. Thus, enforcement of this provision is not reasonable under the instant
6 circumstances.

7
8 70. Plaintiffs have reasonably requested equal access to member lists, but
9 have been denied those requests. To prevent and right the aforementioned wrongs,
10 Plaintiffs respectfully request that the Court grant the relief set forth below.

11 **THIRD CAUSE OF ACTION**

12 **For Breach of the Labor Management-Relations Act**

13
14 (29 U.S.C. § 185)

15 (Asserted by Plaintiffs against the Defendant Labor Organization)

16
17 71. Plaintiffs incorporate by reference, as though fully set forth herein, all
18 the allegations in paragraphs 1 through 70 herein as though fully set forth above.

19
20 72. The SAG Constitution and Bylaws and Board resolutions are contracts
21 between SAG and its members within the meaning of 29 U.S.C. § 185.

22
23 73. SAG is in breach of its contractual promises as set forth above, having,
24 among other things, failed to recommend or conduct studies:

25 “so that it may ascertain (a) what, if any, merger plan can be achieved
26 which will satisfy the requirements of law and the protection of all
27 eligible members against loss of benefits, presently or in the future; (B)
28 the willingness of industry trustees to consolidate the plans.”

1 and

2
3 “that any format for ultimate merger include the study of the following
4 characteristics of the present AFTRA structure: ... (c) protection of
5 categories of members (performers, announcers, dancers, newsmen,
6 singers, sportscasters, et al), so that numbers of one category do not
7 overwhelm the interest of any other categories...”

8 74. Defendants submitted a plan for Merger to the SAG Board on January
9 28, 2012, and the next day announced a Merger on national television without a
10 feasibility study or any reasonable opportunity for scrutiny or dissent in violation of
11 Appendix I to the SAG Constitution and the aforementioned Board resolution.
12 Without any appropriate notice or Board action, Defendants instead simply claimed
13 that Appendix I was suspended.

14 75. Based on the conclusions of the 2003 Mercer Report, Plaintiffs and the
15 SAG membership will be imminently and irrevocably harmed. The harm will
16 include diminution in value of member benefits, union funds, pension benefits,
17 health benefits and membership rights, exposure to massive, foreseeable liability
18 and inherent conflicts of interest within the merged union.
19

20 76. To prevent and right the aforementioned wrongs, Plaintiffs respectfully
21 requests that the Court grant the relief set forth below.

22 **FOURTH CAUSE OF ACTION**

23
24 **For Breach of California Common Law Fiduciary Duties**

25 **(Asserted by Plaintiffs against the Individual Defendants)**
26

27 77. Plaintiffs incorporate by reference the allegations of paragraphs 1
28 through 76 herein, as though fully set forth at length.

1 78. During the term of Defendants' position as Board members and
2 Officers of SAG, the union and its membership, including Plaintiffs, were entitled to
3 Defendants' undivided loyalty, fair and equal representation. Defendants had a duty
4 not to engage in any business adverse to SAG and to represent members fairly and
5 equally, particularly during union elections.

6 79. Defendants breached their duty by surreptitiously organizing for
7 AFTRA and themselves, while being elected to organize for and represent the
8 members of SAG. Defendants further breached their duty by calling for a vote of
9 the membership to end SAG as it currently exists, without satisfying their fiduciary
10 duties as required by law and the strictures of their own governing documents.

11 80. Unless immediately enjoined, Defendants' breaches of their duties as
12 fiduciaries will cause irreparable harm to Plaintiffs and the SAG members. The
13 harm will include diminution in value of member benefits, union funds, pension
14 benefits, health benefits and membership rights, exposure to massive, foreseeable
15 liability and inherent conflicts of interest within the merged union.

16 81. Plaintiffs will also seek leave to amend this Complaint to add a cause of
17 action for breach of fiduciary duty pursuant to 29 U.S.C. § 501.

18
19
20 **PRAYER FOR RELIEF**

21 **WHEREFORE**, Plaintiffs pray for relief as to all causes of action as follows:
22

23 1. For a preliminary and permanent injunction enjoining the Defendants, and
24 each of them, from calling for a vote on the current merger proposal until such time
25 as Defendants complete the required due diligence and satisfy their fiduciary
26 obligations, including:

27 a. Completion of an independent study detailing the actuarial effect of any
28

1 proposed merger of the pension and/or health plans, and distribute the results of this
2 study to the entire SAG Board and membership;

3 b. Provision of full and fair disclosure to the members regarding all of the
4 aspects of the proposed merger plan, acknowledging its limitations and omissions,
5 including any potential adverse impacts;

6 c. Full and fair disclosure to each and every Board member, including
7 equal access to and use of membership lists, including e-mail addresses;

8 d. A new and legally valid election procedure, separate and apart from
9 any future merger plan; and

10 2. For such further relief as the Court may deem just and proper.

11 DATED: February 22, 2012

12 **WASSERMAN, COMDEN,**
13 **CASSELMAN & ESENSTEN, L.L.P.**
14 **DAVID B. CASSELMAN**


15 By: 
16 _____
17 DAVID B. CASSELMAN
18 Attorneys for Plaintiffs

EXHIBIT A

EXHIBIT A

1. Plaintiff Martin Sheen is a resident of the County of Los Angeles, State of California. (Board Member)
2. Plaintiff Edward Asner is a resident of the County of Los Angeles, State of California.
3. Plaintiff Ed Harris is a resident of the County of Los Angeles, State of California. (Board Member)
4. Plaintiff Valerie Harper is a resident of the County of Los Angeles, State of California. (Board Member)
5. Plaintiff Clancy Brown is a resident of the County of Los Angeles, State of California.
6. Plaintiff James Remar is a resident of the County of Los Angeles, State of California.
7. Plaintiff George Coe is a resident of the County of Los Angeles, State of California.
8. Plaintiff Diane Ladd is a resident of the County of Ventura, State of California.
9. Plaintiff Lainie Kazan is a resident of the County of Los Angeles, State of California.
10. Plaintiff Nichelle Nichols is a resident of the County of Los Angeles, State of California.
11. Plaintiff Renee Aubry is a resident of the County of Los Angeles, State of California.
12. Plaintiff Jane Austin is a resident of the County of Los Angeles, State of California.
13. Plaintiff Erick Avari is a resident of the County of Los Angeles, State of California.

14. Plaintiff Steven Barr is a resident of the County of Los Angeles, State of California.
15. Plaintiff Sara Barrett is a resident of the County of Los Angeles, State of California.
16. Plaintiff Terrance Beasor is a resident of the County of Los Angeles, State of California.
17. Plaintiff Michael Bell is a resident of the County of Los Angeles, State of California.
18. Plaintiff Warren Berlinger is a resident of the County of Los Angeles, State of California.
19. Plaintiff Joe Bologna is a resident of the County of Los Angeles, State of California.
20. Plaintiff Ralph Brennen is a resident of the County of Los Angeles, State of California.
21. Plaintiff Jude Ciccolella is a resident of the County of Los Angeles, State of California.
22. Plaintiff Cynthia Lee Clark is a resident of the County of Los Angeles, State of California.
23. Plaintiff David Clennon is a resident of the County of Los Angeles, State of California.
24. Plaintiff Joe D'Angerio is a resident of the County of Los Angeles, State of California. (Board Member)
25. Plaintiff Patricia M. D'Arbanville is a resident of the State of North Carolina.
26. Plaintiff Dick Gautier is a resident of the County of Los Angeles, State of California.
27. Plaintiff Dorothy Goulah is a resident of the County of Los Angeles, State of California.
28. Plaintiff Marty Grey is a resident of the County of Los Angeles, State of California.

29. Plaintiff Sumi Haru is a resident of the County of Los Angeles, State of California.
30. Plaintiff Angel Harper is a resident of the County of Los Angeles, State of California.
31. Plaintiff Basil Hoffman is a resident of the County of Los Angeles, State of California.
32. Plaintiff David Huddleston is a resident of the State of New Mexico.
33. Plaintiff Ann Marie Johnson is a resident of the County of Los Angeles, State of California. (Board Member)
34. Plaintiff David Jolliffe is a resident of the County of Los Angeles, State of California. (Board Member)
35. Plaintiff Kerrie Keane is a resident of the County of Los Angeles, State of California.
36. Plaintiff Peter Kwong is a resident of the County of Los Angeles, State of California.
37. Plaintiff Kurt Lott is a resident of the County of Los Angeles, State of California.
38. Plaintiff Barbara Luna is a resident of the County of Los Angeles, State of California.
39. Plaintiff Eric Lutes is a resident of the County of Los Angeles, State of California.
40. Plaintiff Stephen Macht is a resident of the County of Los Angeles, State of California.
41. Plaintiff Michael McConnohie is a resident of the County of Los Angeles, State of California.
42. Plaintiff Peter Antico is a resident of the County of Los Angeles, State of California.
43. Plaintiff Susan McNabb is a resident of the State of North Carolina.
44. Plaintiff Phyllis Timbes is a resident of the County of Los Angeles, State of California.

45. Plaintiff Marguerite Moreau is a resident of the County of Los Angeles, State of California.
46. Plaintiff Traci Murray is a resident of the County of Los Angeles, State of California.
47. Plaintiff Nicole Mandich is a resident of the County of Los Angeles, State of California.
48. Plaintiff Larry Newman is a resident of the County of Los Angeles, State of California.
49. Plaintiff Barbara Niven is a resident of the County of Los Angeles, State of California.
50. Plaintiff Kathleen Nolan is a resident of the County of Los Angeles, State of California.
51. Plaintiff Jack Ong is a resident of the County of Los Angeles, State of California.
52. Plaintiff Peggy Lane O'Rourke is a resident of the County of Los Angeles, State of California.
53. Plaintiff Leslie Parrish is a resident of the County of Los Angeles, State of California.
54. Plaintiff Scott Pierce is a resident of the County of Los Angeles, State of California.
55. Plaintiff Robin Riker is a resident of the County of Los Angeles, State of California.
56. Plaintiff Stephanie Rose is a resident of the County of Los Angeles, State of California.
57. Plaintiff Alan Rosenberg is a resident of the County of Los Angeles, State of California.
58. Plaintiff Alan Ruck is a resident of the County of Los Angeles, State of California.
59. Plaintiff Wendy Schaal is a resident of the State of Oregon.

60. Plaintiff Tasha Schaal is a resident of the State of Oregon.
61. Plaintiff Nancy Sinatra is a resident of the County of Los Angeles, State of California.
62. Plaintiff Cynthia Steel is a resident of the County of Los Angeles, State of California.
63. Plaintiff Renee Taylor is a resident of the County of Los Angeles, State of California.
64. Plaintiff Malachi Throne is a resident of the County of Los Angeles, State of California.
65. Plaintiff Beverly Todd is a resident of the County of Los Angeles, State of California.
66. Plaintiff Jessica Wright is a resident of the County of Los Angeles, State of California.
67. Plaintiff Momo Yashimo is a resident of the County of Los Angeles, State of California.
68. Plaintiff Alexandra Castro is a resident of the County of Los Angeles, State of California.